

21 A. That's correct.

22 Q. And did the funding come for resale outside of
23 the industry markets budget?

24 A. Are we talking --

25 Q. I think you were telling me about late 1995,
0021
1 doing planning for the 1996 budget.

2 A. Well, not for -- again, the period in the first
3 half of 1996, and that's correct, yeah.

4 Q. At some point, did that change?

5 A. Yes.

6 Q. What changed?

7 A. In the mid-part of the year, we took over
8 responsibility for tracking identification and budgeting,
9 or budgeting the estimates that were required for local
10 competition, demand.

11 Q. So then it became the responsibility for your
12 group --

13 A. Yes.

14 Q. Let me finish.

15 A. Sorry.

16 Q. -- to establish an estimate of the resources
17 that would be required to operate the resale business?

18 A. Yes.

19 Q. And that occurred in mid-1996?

20 A. Approximately.

21 Q. And so prior to that time, that responsibility
22 was entrusted to the local competition team?

23 A. Again, I am going from recollection, and my time
24 frame may be a little bit off, but basically.

25 Q. Do you recall who -- what the local competition
0022
1 team consisted of, who made those determinations?

2 A. The estimates were created by people from Jerry
3 Sinn's team, and Eileen Arbues' team, which, I believe,
4 Lesley Wood worked in the Eileen Arbues' organization, so
5 the requirements were always a function of the groups that
6 were responsible for doing the work.

7 Q. And so these were the groups that were doing the
8 planning for how resale would actually be implemented, and
9 they were providing the information as to what the
10 expected costs would be to implement the resale business?

11 A. Yes, that's correct.

12 Q. Do you know if those costs were broken down into
13 various categories, for example, costs for staffing, costs
14 for process development and implementation, and costs for
15 system development and implementation?

16 A. Yes. So you are talking, just to make sure I
17 understand the question, the estimates that were coming
18 from the working teams. When I talk about -- in this
19 particular case, the estimates from Sinn and Lesley were
20 directly related to the labor piece, the force piece.
21 There were other estimates being created by other working
22 teams, based on the work that they were responsible for,
23 so I think --

24 Q. If I understand correctly then, in preparation
25 of the budget for industry markets group in early 1996,

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1 you did not include the resale business in your budget
2 because that was determined by the local competition team?

3 A. It was determined by the folks that were
4 responsible for the work, and they represented that
5 information to the local competition implementation team
6 to be represented as the resource requirements for those
7 teams.

8 Q. Up through mid-1996, your group did not have
9 involvement in determining what those resource
10 requirements would be?

11 A. I can't remember specifically the -- I mean, we
12 tried to stay involved because, ultimately, we knew we
13 were going to take over responsibility, but specifically
14 what actions and what involvement, and to be real
15 specific, I don't recall.

16 So, again, the basic process was the same
17 throughout the period, and that is the period that we were
18 responsible for the requirements. We were the ones
19 that -- we basically assisted them in putting together the
20 information.

21 Q. Do you establish a budget for a calendar year
22 for the industry markets group?

23 A. Yes.

24 Q. You did establish a budget for 1996 calendar
25 year?

0024

1 A. Yes.

2 Q. Did the budget include, for any period of time,

3 the resale business in 1996?

4 A. In 1995, because in -- in 1995, did I set a
5 budget for 1996 calendar year? No.

6 Q. So at any point, did you establish a budget for
7 the resale business?

8 A. I would characterize it a little bit
9 differently, if that's okay, and that is, what we were
10 trying to do was, we were trying to assess the resource
11 requirements that we would be incurring as it relates to
12 local competition. That is the LISC and related
13 activities, so we had estimates of how much we would be
14 incurring as it related to that.

15 And the reason I want to make the determination
16 is because usually what you do is you establish a budget
17 as a point of spending, and you try to manage to that
18 amount. So I am just trying to differentiate a little bit
19 between those two points, because given the uncertainty
20 associated with local competition, what we try to do is
21 just keep our estimates current.

22 Q. Does that mean you were continually, or someone
23 at Pacific Bell, was continually revising budget estimates
24 for the resale business?

25 A. Yes.
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1 Q. So there was no -- for 1996, there was no period
2 of time where a budget was established, and then there was
3 an effort made to operate the business to match the
4 budget?

5 A. There was, again, talking specifically to the

6 area that we were managing. Again, for the second part of
7 the year, what we established was estimates for how much
8 we thought we would be spending, so we established -- you
9 could call them budgets, but not in the same way I would
10 characterize a targeted budget, because we updated that
11 frequently.

12 We wanted to get -- we needed to have a clear or
13 a current point of view about, you know, what the impact
14 would be associated with the resources and everything else
15 going on, and so we did do that for the second half of the
16 year. And there was -- I believe there was a budget for
17 the first half of the year for the element related to
18 local competition.

19 Q. First half in 1996?

20 A. Right, through that, as I described.

21 Q. But that -- your team was not involved in
22 developing those estimates; is that right?

23 A. Again, I am trying to differentiate a little bit
24 only because they were involved in the process. Now, were
25 they responsible for the final determination? The answer
0026

1 there was no. So, I mean, we were involved. We tried to
2 be involved in that whole period of time.

3 Q. Within Pacific Bell, is there any, to your
4 knowledge, measurement made comparing a budget or an
5 estimate that you made for 1996 with what actually was
6 realized?

7 A. I'm sorry?

8 Q. To your knowledge, within Pacific Bell, was
9 there any analysis done comparing a budget or an estimate
10 that you had for the industry markets group with what was
11 actually realized?

12 A. Spent?

13 Q. Spent or revenue received.

14 A. Yes.

15 Q. And who does that?

16 A. For the end of 1996, that was my group, again,
17 related to certain elements of local competition that we
18 were responsible for within industry markets.

19 Q. And was that analysis, that we just described,
20 done for the resale business?

21 A. Yes.

22 Q. Who did that analysis?

23 A. My team.

24 Q. Do you remember who on your team performed that
25 analysis?

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1 A. Predominantly, Robert Hough.

2 Q. Do you know if he produced any kind of a written
3 report reflecting that analysis?

4 A. Yes.

5 Q. Is that something that you have possession of
6 currently?

7 A. What do you mean currently?

8 Q. Today. Are you aware of where that resides?

9 A. It's -- yes, it's probably filed in our group.

10 Q. So if I were to write a letter to

11 Mr. Kolto-Wininger, asking that that document be located
12 and produced, subject to whatever confidentiality is
13 appropriate, you think that's something that someone
14 within your group would be able to locate?

15 MR. KOLTO-WININGER: Something that you'd be
16 able to identify.

17 THE WITNESS: Can I ask a question? Well,
18 it's --

19 MR. KOLTO-WININGER: Off the record.

20 (Discussion between counsel and
21 witness.)

22 MR. KOLTO-WININGER: Subject to any objections
23 that I may have to the production of it, the witness can
24 identify the document. I think that's your question.

25 MR. McDONALD: And presumably, that it exists
0028
1 and it can be found?

2 Q. So your answer is yes?

3 A. Yes.

4 Q. Do you recall if that comparison evaluated the
5 entire year, 1996, for the resale business?

6 A. Actually, this is what I do -- this is what I
7 remember -- or this is what I know. It just -- given,
8 again, the fact that we did not establish a firm budget,
9 we -- in the document, it may just be the final estimate
10 that we incurred for resale, as compared to a comparison.

11 Q. So you think it might simply be the final
12 estimate without actually looking at what actual costs

13 were incurred?

14 A. It would be the actual costs that were incurred
15 versus a budget estimate that may have been created
16 mid-year. And again, I don't -- I know that the budget
17 result that we had -- and I just don't recall specifically
18 the details.

19 Q. But that comparison could be done if one were to
20 examine the budget versus then this other document that --
21 so the final actual figures -- let me see if I understand.
22 So if you picked the estimate, you looked at the actuals,
23 I could compare the two?

24 A. Right.

25 Q. So is your testimony that, even if this document
0029

1 that you referenced that Mr. Hough prepared was not a
2 comparison but it was simply the final recitation, here is
3 what our actual resale costs were, that document could be
4 compared with the budgeted figure?

5 A. Just, again, the estimates.

6 Q. In your mind, you'd distinguish between an
7 estimate and a budget because this was a new business?

8 A. Well, that is one reason, because it was a new
9 business, but in particular, given all unknowns and the
10 requirements to, I mean, basically get the thing going, we
11 really never held that as a constraint. And so you
12 compare that to a budget where you say, you know, usually
13 you try to manage to a budget, you know, plus or minus.
14 And in this case, we didn't do that.

15 So again, what we were trying to do is just,

16 okay, here was the forecast, this is how much we are going
17 to spend based on the volume forecast and the assumptions
18 and productivity, all those elements. And then, as we
19 worked through the year, you know, things changed and so
20 we tried to keep that as current as possible.

21 Q. And with what frequency were the estimates
22 revised for the resale business?

23 A. During 1996 -- the way I would answer that is
24 more than quarterly but maybe less than monthly, and the
25 reason I say that, it was usually external triggers that
0030
1 causes the need to report out.

2 Q. Was there a systematic process for revising the
3 estimates?

4 A. Usually we did it in step with updates on the --
5 on either -- usually, but not always, were the volume
6 forecasts or any changes that we knew of, in terms of
7 assumption changes, on the resource requirements side.
8 But there were other times that we did it because there
9 was an external trigger where we needed to figure out how
10 much we were going to spend.

11 Q. So let me see if I can recapitulate to see if my
12 understanding is correct. Starting in late 1995, the
13 responsibility for coming up with estimates for the costs
14 of operating the resale business was something that was
15 delegated to the LIIT team or the local competition team?

16 A. No.

17 Q. Okay, tell me who it was.

18 A. Again, let me go through the process again. The
19 requirements for the people that were responsible for the
20 work were things that they created.

21 Q. And who were the people who were responsible for
22 the work?

23 A. Again, the people within Jerry Sinn's
24 organization, and I know that Lesley Wood was involved.

25 So again, those two -- there may have been other folks
0031

1 involved but Lesley, being that she was, I believe, the
2 director for that team, was the person that I was most
3 knowledgeable about, involved in that.

4 And there were probably multiple people in Jerry
5 Sinn's organization, one of which would be Ann Long. The
6 results are involved in the estimates, so they created, to
7 the best of my knowledge, they created the estimates.

8 Q. And those estimates were dollar figures, in
9 terms of the costs that were estimated to be needed to
10 operate the resale business?

11 A. That's not where it began. It began with the
12 underlying assumptions and activity which was -- and then
13 people to support the activity, then monetary dollars or
14 budgets or, you know, estimates.

15 Q. The final outcome of their effort -- so it's the
16 people that you just described -- the final output was a
17 dollar estimate as to the cost of operating the resale
18 business for at least the early part of 1996?

19 A. I would be speculating. I mean, since I didn't
20 personally see them, you know, I'd be -- the answer

21 logically is yes, but again, I didn't -- I am trying to be

22 kind of true to my memory a little bit.

23 MR. KOLTO-WININGER: So you are saying you are

24 assuming, but logically that's what you think would

25 happen?

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1 THE WITNESS: Yeah.

2 MR. McDONALD: Q. But you have no recollection

3 of including those figures in any budget that you were

4 preparing for the industry markets group?

5 A. That's correct.

6 Q. Do you remember if those figures were

7 included -- or I think your testimony earlier was that,

8 for the first half of the year, industry markets group was

9 not responsible for those costs?

10 A. We were incurring the costs. The dollars were

11 coming from this pool of money that was being managed by

12 the local competition organization.

13 Q. Is the local competition organization outside of

14 the industry markets group?

15 A. Yes.

16 Q. So you had a cost element running out of

17 industry markets but the revenue was coming in from

18 someone outside of industry markets?

19 A. No, that's not correct. It's the budget

20 dollars, so if you are going to spend \$10, I'd give you

21 the \$10, that was our agreement.

22 Q. Do you know what the source of the funding was

23 for the local competition group?

24 A. The source of the money -- I mean, it's -- it

25 was budgeted by -- with their work with the financial
0033

1 organization. I mean, it's the same way. All their

2 organizations are basically given money. I am a little

3 unclear on your question.

4 Q. Well, this is the local competition group that

5 you identified as the source of the funding for the resale

6 effort; is that right?

7 A. Yes.

8 Q. Does the local competition group fall within

9 another division group area of Pacific Bell, outside of

10 industry markets?

11 A. Yes.

12 Q. What area is that?

13 A. That is -- do you mean by, like

14 organizational --

15 Q. Who is the head -- do you know who is the vice

16 president in charge of that group?

17 A. The -- yes, the vice president of the group

18 was -- I believe it was John Seymore, at the time.

19 Q. And was he vice president of the local

20 competition group, or was there another group above this

21 local competition entity?

22 A. Again, I am -- there's a very detailed structure

23 that, you know, I am not prepared to talk about in terms

24 of all these teams and who was involved in doing what.

25 Basically, the folks that were involved, you

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1 had -- so you had our internal organization responsible
2 for the functions working with this other organization
3 that was managing, call it the resource requirements, for
4 the first part of 1996.

5 In terms of their reporting structure, you know,
6 I can't recollect exactly, you know, who reported to who.
7 And I believe that John Seymore had responsibility for the
8 implementation team. He had funding and budgets to
9 support the process of implementation through the first
10 part of 1996, related to the Resale Industry Markets
11 Group, IMG, operation. That's the answer to your
12 question.

13 Q. Do you know what John Seymore's title was?

14 A. Vice president, I believe. I am not sure of his
15 exact title.

16 Q. Do you know if that position is one currently
17 held by Lee Bauman?

18 A. No, I don't believe it is.

19 Q. Is Mr. Seymore, to your understanding, at the
20 same level as Ms. Fetter?

21 A. Generally. They have different titles.

22 Q. But are they under -- are they in two different
23 organizations within Pacific Bell?

24 A. Yes.

25 Q. Now, I think we've briefly touched on what were
0035

1 the various elements that would go into establishing these
2 estimates for the resale business.

3 And as I understand it, you personally were not
4 involved in the details of developing those estimates; is
5 that right?

6 A. That's correct.

7 Q. At any time, have you been involved in
8 developing, you personally, been involved in developing
9 the estimates for the resale business?

10 A. I have been involved in understanding the
11 underlying assumptions, as best as I can, for a variety of
12 things, from the volume forecast and then the underlying
13 information on the force requirements, so I was involved.

14 Q. When did you first get involved in that effort?

15 A. To the best of my recollection, you know, in
16 early 1996.

17 Q. And what data did you examine in that effort? I
18 think you mentioned volume forecasts and staffing
19 requirements.

20 A. Yes.

21 Q. Were there other elements that you looked at?

22 A. Well, those are the main, you know. I mean,
23 there is a series of drivers, so my main focus was on
24 the -- trying to understand where the volume estimates
25 were being forecasted, and then what was underlying the
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1 staffing requirements as it relates to, you know, the time
2 it would take to do an order, whether -- you know, mainly
3 the time it would take to do an order and what were the
4 elements below that.

5 Q. Did you learn about the estimates that were

6 established as to, for example, how many orders per day a
7 LISC employee could process?

8 A. I was actually more -- actually more interested
9 in some of the drivers, and what I mean there is, you
10 know, how long would it take to do one order in terms of
11 time, because that was a fundamental assumption.

12 Q. Did you examine that analysis to determine if
13 you were satisfied, whether the estimate that was provided
14 seemed reasonable?

15 A. Yes.

16 Q. And how did you go about doing that, did you --
17 well, why don't you tell me?

18 A. Again, working with Robert Hough, who is on my
19 team, we just talked through what was, you know, what was
20 driving the amount of time, and after they described it to
21 me, you know, in that time period, it seemed reasonable.

22 Q. So that was in early 1996 when this occurred?

23 A. You know, I am searching a little bit in terms
24 of time frame, but it was in the earlier part of the year.

25 Q. And was this being done in anticipation of the
0037
1 industry markets group becoming responsible for the resale
2 costs?

3 A. It was done -- that was one reason. The other
4 reason, obviously, I was just -- I wanted to have some
5 understanding of what was going on within that, but yes, I
6 knew that, ultimately, we would be responsible for the
7 estimates.

8 Q. And to what level of detail did you learn of the
9 process that is used at the LISC to effectuate a migration
10 order?

11 A. I'd say, you know, fairly macro level. I mean,
12 I am not a subject matter expert in the amount of time it
13 takes for a service representative to do any particular
14 function. It's fairly detailed and complicated based on
15 the types of orders, the types of products, so I wanted to
16 have just kind of a general level of satisfaction that I
17 am somewhat familiar with the elements. For example, the
18 order came in, what were some of the steps, you know, how
19 long would that take.

20 Q. And so when you got involved in this effort in
21 1996, sometime early in 1996, you looked principally at
22 the volume forecasts and the staffing estimates; is that
23 right?

24 A. Yes.

25 Q. And in terms of volume forecasts, where did
0038
1 those come from?

2 A. Those came from the -- directly from Laura
3 Schwartz. I mean, I --

4 Q. If I can show you a couple of documents that
5 have already been marked as exhibits, documents marked
6 Exhibits 11 through 15 -- let me ask you just to take a
7 quick look at those and see if they look familiar to you.

8 A. Okay.

9 MR. KOLTO-WININGER: Let me add the caveat that
10 these were produced under a confidentiality agreement, so

11 unless we seal the record, we try to avoid discussion of
12 the actual figures. And if we are going to seal the
13 record, then counsel will ask you questions directly about
14 the numbers themselves, but otherwise, we will try to keep
15 it in a more general volume.

16 Also, these were produced in response to a data
17 request, and by agreement of counsel, the time period was
18 terminated at March, 1997.

19 THE WITNESS: Okay.

20 Let me make sure I understand the question. Am
21 I familiar with these specific documents, or that there
22 were forecasts created that I would guess would be the
23 same numbers?

24 MR. McDONALD: Q. No. My first question is,
25 are you familiar with those specific documents? Have you
0039
1 seen them before?

2 A. Yes, I am -- I haven't looked at them in detail,
3 but I do know that they were created because I looked
4 through Laura's testimony.

5 Q. When you were doing the forecasting back in
6 early 199- -- sorry, strike that.

7 When you were involved in planning the estimates
8 for the resale business in early 1996, did you use those
9 documents -- any of those documents in that effort?

10 A. Yes. I mean, not these specific documents,
11 because I believe they have been produced for this, but
12 the local competition forecasts that were created were

13 used to derive -- used by the folks that were putting
14 together, to make sure that as much as possible, the
15 volumes and everything else were more or less in step.

16 Q. But did you have actual forecast documents for
17 yourself to use when you were engaged in this effort?

18 A. For me personally?

19 Q. Yes.

20 A. Not for me personally. I mean, I relied on the
21 work that was being kicked out by Laura, that was used
22 predominantly between Laura and Robert.

23 Q. Robert Hough?

24 A. Yes.

25 Q. Do you know if Mr. Hough used these documents,
0040
1 these documents being Exhibits 11 through 15?

2 A. Again, we used the forecasts that Laura created,
3 yes.

4 Q. But am I correct to understand that the
5 documents that were used looked in some ways different
6 from what have been marked Exhibits 11 through 15?

7 A. I don't recall. I mean, you know, she -- Laura
8 likes to use columns and things, and so they -- it could
9 have been the same thing. It could have been something --
10 it could have been -- I am guessing that they were the
11 same documents, just kind of --

12 Q. Looking at Exhibit 11, was this document or
13 forecast that generated the total that's shown on Exhibit
14 11, is that something that you used in your work?

15 A. Yes. I mean, these are the forecasts, I'd say.

16 Document controller -- these are the documents that Laura
17 created, and if Robert Hough was involved, that's what we
18 used.

19 MR. KOLTO-WININGER: Can you clarify whether he
20 has specific recollection of that document or he is
21 assuming, because --

22 MR. McDONALD: Q. I thought your earlier
23 testimony was you don't have a specific recollection of
24 these documents, is that right, Robert Hough worked on the
25 documents -- worked with the documents?

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1 A. Yes.

2 Q. So your testimony is based upon reviewing the
3 legend on Exhibit 11 that indicates that Laura Schwartz
4 produced this?

5 A. Yes.

6 Q. What I am asking you to focus on is the total
7 figure that's shown here on Exhibit 11, and if you recall
8 whether that figure was used in the estimated work that
9 you or people in your group did for the resale business.

10 A. That specific number?

11 Q. Yeah.

12 A. I don't recall.

13 Q. Are there documents that would show what was
14 used?

15 A. Are there documents -- yes. I would -- it could
16 be that this is actually the same document, but I just --
17 I am looking at a very specific number and --

18 Q. Would Robert Hough have the documents that he
19 examined that were the forecasts from Laura Schwartz?

20 MR. KOLTO-WININGER: Objection. Calls for
21 speculation, but go ahead and answer.

22 THE WITNESS: I don't know. I mean, if you --
23 you know, we've run this series and what we try to do is
24 keep the most current thing, keep the most current
25 information, so I would, you know, I'd speculate that he
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1 may or may not have all the iterations of stuff that he's
2 used in the past.

3 MR. McDONALD: Q. Were the estimates revised as
4 new forecasts were produced?

5 A. Generally, yes.

6 Q. So, for example, Exhibit 11 shows the title that
7 says, "Local Competition Forecast 3-96," and then Exhibit
8 12 shows, in the upper right-hand corner, "Revision B,
9 5/31/96."

10 Do you recall if this forecast, that's been
11 marked Exhibit 12, caused there to be a revision in the
12 estimate for resale business?

13 A. I can't recall specifically whether or not it
14 was or was not. I mean, I do know that we looked at the
15 estimates, as I had mentioned before, fairly frequently,
16 and I would -- anyway, I would be not completely
17 speculating, but it was my understanding that we were
18 trying to keep all those things as much as possible.

19 Q. Now, are you familiar with the trend that's
20 shown for 1996 through the various budget -- through the

21 various forecasts that Laura Schwartz produced?

22 A. Yes, the trend, yes.

23 Q. So that the March forecast shows a number that's
24 shown on Exhibit 11 and the total figure, and then that
25 figure -- total figure for 1996 in Exhibit 12 drops by
0043
1 more than half?

2 A. Yes.

3 Q. And then it continues to drop in the Revision C
4 that's Exhibit 13; is that correct?

5 A. Yes. I am familiar with the general trend, that
6 it was downward through the end of the year.

7 Q. And so likewise, Revision D, Exhibit 14, it
8 continues to decline?

9 A. (No audible response.)

10 Q. And Exhibit 15, Revision E, is further lowered?

11 A. Yes.

12 Q. As the estimates were revised, the budget
13 estimates, if you can call it that, for the resale
14 business, did they follow the trend shown in these
15 forecasts?

16 A. They also follow the same -- I mean, not the
17 exact trend because they are different numbers but, yeah,
18 they also follow the downward trend.

19 Q. Am I correct to understand that the budget
20 that -- the estimate that was established early in the
21 year was significantly higher than the estimate that was
22 developed later in the year?

23 A. The estimate, as we went through the year, the
24 estimate came down, yes. You used significantly and --

25 Q. Do you see the order of magnitude?

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1 A. Right, I see the order of magnitude.

2 Q. The order of magnitude, the forecast estimate

3 dropped between Exhibit 15 and Exhibit 11. Do you have a

4 sense of the order of magnitude of that decline?

5 A. Right. I see that.

6 Q. Are you aware whether the budget declined in the

7 same order of magnitude?

8 A. Generally, the same order of magnitude.

9 Q. Do you know when the last estimate was made,

10 without looking at the actuals for the resale business,

11 but when the last estimate was made for the resale

12 business?

13 A. I'm sorry, could you say that again?

14 Q. When the last budget estimate was made in 1996

15 for the resale business?

16 A. It would be probably November.

17 Q. If you look at Exhibit 15, you will notice that

18 it has a date of November 6th, 1996. Do you see that?

19 A. Yes.

20 Q. Is it your recollection that the final budget

21 estimate was developed after this forecast was produced?

22 A. I believe it was after this forecast was

23 produced.

24 Q. And then, with respect to -- I think you already

25 testified about a document Mr. Hough produced that

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1 provided actuals of the actual expenditures for the resale

2 business.

3 A. Yes.

4 Q. Do you know how that total actual expenditure

5 compared to the last budgeted expenditure?

6 A. I don't recall the specific numbers.

7 Q. Do you know if one was higher than the other?

8 A. Yes. The previous estimate to the final actual,

9 the estimate was higher than the end-of-year actual.

10 Q. Am I correct then to infer that, because the

11 budget estimates dropped with each revision, that the

12 actual expenditures that were made for the resale business

13 in 1996 never reached the budget estimate at any time?

14 MR. KOLTO-WININGER: I am going to object to the

15 characterization of whether that's a correct inference, as

16 opposed to whether that's an actual fact that occurred,

17 but go ahead and answer it as best as you can.

18 THE WITNESS: The actuals usually trailed the

19 estimates.

20 MR. McDONALD: Q. So is it correct then that

21 the total expenditures in 1996 in the resale business

22 never reached the budget estimates?

23 A. Again, compared to which budget estimate?

24 Q. At any time throughout the year.

25 A. At any time? Here let's -- since we did a

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1 series of estimates and I didn't re-review the numbers, I

2 don't remember. I mean, it could be that we were -- as

3 you get closer to the tail end of the year, your degrees
4 of freedom, in terms of what you are doing, are limited.
5 So I am guessing that it could be that it's much closer
6 than --

7 Q. Okay. Now I think your earlier testimony was
8 that the final estimate was higher than the actual
9 expenditures for the resale business; is that correct?

10 A. That's what I said, yes, and as I think about
11 it, I might be wrong. The only reason is that I don't
12 remember specifically the comparison between those two
13 numbers.

14 Q. Do you have any recollection that the actual
15 expenditures exceeded the last budget estimate for the
16 resale business?

17 A. I don't have that recollection.

18 MR. KOLTO-WININGER: One way or the other? It's
19 vague.

20 MR. ETTINGER: I am going to object to this. I
21 think you will have a turn if you want one.

22 MR. KOLTO-WININGER: That's fine. You can have
23 your vague record.

24 MR. ETTINGER: I am satisfied with the record.

25 MR. KOLTO-WININGER: That's fine.
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1 Let's go off the record for a second.

2 MR. McDONALD: Yeah.

3 (Discussion off the record.)

4 (Recess taken.)

5 MR. McDONALD: Back on the record.

6 Q. To clarify the record, I think I may have
7 misspoken in trying to give an acronym for the LIIT team.

8 Is it correct that it's L-I-I-T?

9 A. That's correct.

10 Q. Do you know what those initials stand for?

11 A. Local -- I don't. We have so many acronyms.

12 Q. Okay. Now, we have just gone through some
13 testimony about the various estimates that your group was
14 involved with establishing for the resale business and in
15 a comparison with the actual expenditures for the resale
16 business, and if I understand correctly, it was your
17 earlier testimony that you believe Mr. Hough had created a
18 document that set forth the actual expenditures for year
19 end 1996; is that right?

20 A. My team. There are a couple of folks that are
21 responsible for results reporting that would have created
22 the end-of-year actual package that would point to the
23 amount of money that was incurred related to the resale
24 operation.

25 Q. And do you know if, within Pacific Bell, the
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1 various estimates that were established during 1996 for

2 the resale business are still maintained anywhere?

3 A. I don't know that. I mean, again, other than if
4 we had it within our team, but I wouldn't guess.

5 Q. Now, when those estimates were prepared, one of
6 the things that was looked at was the forecasts, and maybe
7 they are not exactly the same documents as set forth in